

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2019-119-C - ORDER NO. 2019-527

JULY 26, 2019

IN RE:	Application of Blue Casa Telephone, LLC)	ORDER GRANTING
	for a Certificate of Public Convenience and)	CERTIFICATE OF
	Necessity for Authority to Provide Resold)	PUBLIC CONVENIENCE
	and Facilities-Based Local Exchange and)	AND NECESSITY AND
	Interexchange Services, and for Alternative)	ALTERNATIVE
	Regulation)	REGULATION

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of Blue Casa Telephone, LLC (“Blue Casa”, “Applicant” or “Company) for authority to provide local exchange and interexchange telecommunications services within the State of South Carolina; for local service offerings to be regulated in accordance with procedures authorized for NewSouth Communications in Order No 98-165 in Docket No. 97-467-C; and for interexchange service offerings to be regulated in accordance with procedures established for alternative regulation in Oder Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

The Company's Application was filed pursuant to S.C. Code Ann. Section 58-9-280, and Section 253 of the Telecommunications Act of 1996. By letter, the Commission instructed the Applicant to publish, one time, a prepared Notice of Filing in a newspaper of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in this proceeding. The Company complied with

this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was filed by the South Carolina Telephone Coalition ("SCTC"). Subsequently, counsel for SCTC filed with the Commission a Stipulation. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. A copy of the Stipulation is attached as Order Exhibit 1.

On July 1, 2019, counsel for the Office of Regulatory Staff ("ORS") filed a letter with the Commission setting out that it had reviewed the Application and did not oppose the Commission granting the Application. Nor did the ORS object to a partial waiver of the bond requirement. The ORS also informed the Commission that it did not intend to appear at the hearing in the Docket. The ORS correspondence of July 1, 2019 is attached as Order Exhibit 2.

According to the record, Blue Casa is a limited liability company organized under the laws of the State of California. The Applicant has received authority from the South Carolina Secretary of State to transact business within the State of South Carolina. As set out in the record, Blue Casa will provide local exchange service to customers located in non-rural local exchange carriers' service areas of South Carolina.

Applicant's local calling areas initially will coincide with the incumbent local exchange carrier's local calling areas. Its services will be available on a full-time basis, twenty-four hours a day, seven days a week, to customers within the geographic boundaries of the State of South Carolina. Customers will be billed by Applicant. Applicant is committed to

providing access to a local operator, directory assistance, 911 services, and dual party relay services. Applicant is also willing to accept its obligations to collect 911 and dual party relay service surcharges from its local exchange customers, and to remit those funds to the appropriate authorities.

The record reflects granting Blue Casa's Application will provide South Carolinians increased choice, improved quality of service and heightened opportunities to obtain improved technology that will further increase telecommunications competition in the State of South Carolina. Granting of the Application is therefore in the public interest.

The Company commits to abide by all applicable Commission rules, regulations, and orders upon the Company receiving certification to provide local exchange telecommunications service in South Carolina.

The Applicant has requested certain waivers of Commission regulations. The Company requests that it be exempt from any rules or regulations that would require it to keep financial records in conformance with the Uniform System of Accounts ("USOA"), since it will maintain its books in accordance with Generally Accepted Accounting Principles ("GAAP"). The Applicant also requested that the Company be granted a waiver of Commission Regulation 103-610 so that the Company be permitted to maintain its records outside of South Carolina. The Company wishes to maintain its books and records in its principal place of business. Additionally, the Company seeks a waiver of Commission Regulation 103-631 so that it will not be required to publish local exchange directories. The Company will contract with incumbent local exchange carriers for the inclusion of the Company's CLEC databases into the master customer database of the local

exchange carrier. Since the Applicant's local exchange calling areas will initially mirror the service area of the incumbent local exchange carriers, the Applicant requested a waiver of the map filing requirement of Commission Regulations 103-612.2.3 and 103-631.

The Applicant has requested a partial waiver of the bond required by S.C. Reg. 103-607. At the hearing, the Applicant's witness demonstrated that the Company anticipated average revenue of approximately \$8,000 per month and that a bond of \$16,000 would satisfy the requirements of Order No. 2012-175.

After full consideration of the applicable law, the Company's Application, and the evidence of record presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Company is a duly organized limited liability corporation which exists under the laws of the State of California and has been authorized to do business in the State of South Carolina by the Secretary of State.

2. The Company is a provider of local exchange and interexchange telecommunications services and wishes to provide its services in South Carolina.

3. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280(B)(1).

4. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280(B)(3).

5. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280(B)(4).

6. The Commission finds that the services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280(B)(2).

7. The Commission finds that the provision of local exchange service by the Company “does not otherwise adversely impact the public interest”. S.C. Code Ann. Section 58-9-280(B)(5).

8. The Commission finds that as the result of the Stipulation, the SCTC has withdrawn its opposition to the Application.

9. The Commission finds that ORS does not object to the relief requested in the Application and does not object to a partial waiver of the bond required by S.C. Code Reg. 103-607.

10. The Commission finds that a partial waiver of the bond required by S.C. Code Reg. 103-607 is just and reasonable and a bond in the amount of \$16,000 conforms with Order No. 2012-175.

CONCLUSIONS OF LAW

1. The Commission concludes that the Company possesses the managerial, technical, and financial resources to provide the competitive local exchange telecommunications services as described in the Application.

2. The Commission concludes that the Company's "provision of service will not adversely impact the availability of affordable local exchange service.”

3. The Commission concludes that the Company will participate in the support of universally available telephone service at affordable rates to the extent that the Company may be required to do so by the Commission.

4. The Commission concludes that the Company will collect 911 and dual-party relay service surcharges and remit those funds to the appropriate authorities.

5. The Commission concludes that the Company will provide services that will meet the service standards of the Commission.

6. The Commission concludes that the provision of local exchange services by the Company will not otherwise adversely impact the public interest.

7. The terms of the Stipulation between the Company and SCTC are approved and adopted as a part of this Order. Any proposal to provide local telecommunications service to rural service areas, regardless of the technology employed, is therefore subject to the terms of the Stipulation.

8. Based on the above findings of fact and conclusions of law, the Commission determines that a statewide Certificate of Public Convenience and Necessity should be granted to the Company to provide competitive local exchange services and interexchange services.

9. The Commission concludes the Company's local exchange telecommunications services, regardless of the technology employed, shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for the Company's competitive intrastate local

exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, the Company's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's authority within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

10. The Commission concludes that the Applicant's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a consumer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider.

Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$.035 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing, subject to possible challenge within seven (7) days of the filing, in which case the tariff filing will be suspended until further order of the Commission.

11. The Commission concludes that the Applicant's request for waiver of 10 S.C. Code Ann. Regs. 103-610 should be granted, since strict compliance with the regulation potentially causes undue hardship on the Company. We also grant exemption from the policies requiring the use of USOA. Last, we grant waivers of 10 S.C. Code Ann. Regs. 103-612.2.3, which requires filing a map of the service territory, and 10 S.C. Code Ann. Regs. 106-631, which requires publication of directories.

12. The Commission concludes that Applicant's request for a partial waiver of the bond requirement should be granted, and at such time Blue Casa offers retail residential local exchange service, the Company shall first provide a bond of \$16,000 that complies in all other respects with S.C. Code Ann. Regs. 103-607 (2012) and Commission's Orders pertaining to bond requirements.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity is granted to Blue Casa Telecommunications, LLC, to provide competitive local exchange telecommunications services on a facilities-based or resold basis and to provide interexchange services.

2. The terms of the Stipulation between the Company and the SCTC are approved and adopted as part of this Order. The Stipulation is attached as Order Exhibit 1. Any proposal to provide competitive local exchange telecommunications services to rural service areas is subject to the terms of the Stipulation.

3. The Company shall file, if it has not already done so by the date of issuance of this Order, its revised local tariffs. The revised tariffs should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariffs should be made using the ETariff System. The revised tariffs shall be consistent with the findings of this Order and agreements with other parties to this case. The revised tariffs shall be consistent with the Commission's Rules and Regulations and shall be filed as stated within 30 days of receipt of this Order.

4. Blue Casa is required to comply with Title 23, Chapter 47, South Carolina Code of Laws Annotated which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a 911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs the Company to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate authorities is to be made before providing voice or dial tone telephone service in South Carolina. By this Order and

prior to providing voice or dial-tone services within South Carolina, the Applicant is directed to contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

5. The Applicant shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of South Carolina specific information. Therefore, the Company shall keep financial records on its South Carolina operations to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website or at the ORS's website at www.ors.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Applicant to file annual financial information as directed by the Commission or ORS and shall be filed no later than April 1st.

Commission gross receipts forms are due to be filed no later than August 31st of each year. The proper form for filing gross receipts information can be found at the ORS website www.ORS.sc.gov and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the South Carolina Universal Service Fund ("USF") Contribution Worksheet, which may be found on the ORS's website at www.ORS.sc.gov. This worksheet provides ORS information required to determine each telecommunications company's liability to the State USF fund. The USF worksheet must be completed in its

entirety, including the completion of lines 301 through 304 as appropriate and is due to be filed annually no later than August 1st with the ORS.

6. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. The Company shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The "Authorized Utility Representative Information" form can be found at the ORS website at www.ors.sc.gov. This form shall be utilized for the provision of this information to the Commission and ORS and shall be updated annually with the filing of the Company's Telecommunications Company Annual Report. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced. If the Company changes or modifies its name, the Company shall file such changes with the Commission for approval.


7. The Company shall conduct its business in compliance with Commission decisions and orders, both past and future.

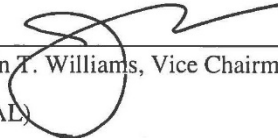
8. The Company is granted a waiver of 10 S.C. Code Ann. Regs. 103-610 requiring the Company to maintain its financial books and records within the State of South Carolina. As a condition of being granted a waiver of the requirement to maintain corporate books and records within the State of South Carolina, the Company shall make such books

and records available, at the Company's expense, to the Office of Regulatory Staff upon request. Further, the Company is granted a waiver of the requirement that books and records be maintained in accordance with the Uniform Systems of Accounts ("USOA"). The Commission grants the Applicant's request for the waiver of the requirement that it file a map of its service territory as required by 10 S.C. Code Ann. Regs. 103-612.2.3 and the publication of directories as required by 10 S.C. Code Ann. Regs. 103-631. Last, the Applicant is granted partial waiver of the bond required by S.C. Code Reg. 103-607 and a bond in the amount of \$16,000 conforms with Order No. 2012-175. The Company is directed to comply with all Rules and Regulations of the Commission, unless the Commission specifically waives compliance with a regulation.

9. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Comer H. Randall, Chairman


Justin T. Williams, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2019-119-C

Re:	Application of Blue Casa Telephone, LLC)	
	for a Certificate of Public Convenience and)	
	Necessity for Authority to Provide Resold)	
	and Facilities-Based Local Exchange and)	
	Interexchange Services)	

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Blue Casa Telephone, LLC ("Blue Casa" or "Applicant") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose City Communication's Application. SCTC and Applicant stipulate and agree as follows:

1. SCTC does not oppose the granting of a Certificate of Public Convenience and Necessity to Applicant, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Applicant stipulates and agrees that any Certificate which may be granted will authorize Applicant to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Applicant stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Applicant stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Applicant provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice

period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Applicant acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Applicant stipulates and agrees that, if Applicant gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Applicant will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Applicant acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Applicant, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.


8. Applicant agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

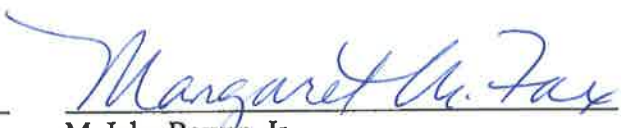
9. Applicant hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 23rd day of April, 2019.

BLUE CASA TELEPHONE, LLC

South Carolina Telephone Coalition


By: Scott Elliott
IT: Attorney


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ATTACHMENT A

South Carolina Telephone Coalition Member Companies
for Purposes of Local Service Stipulation

Chesnee Telephone Company
Chester Telephone Company, d/b/a TruVista
Comporium, Inc. (f/k/a Rock Hill Telephone Company)
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company, d/b/a Comporium
Home Telephone ILEC, LLC d/b/a Home Telecom
Lancaster Telephone Company, d/b/a Comporium
Lockhart Telephone Company, d/b/a TruVista
McClellanville Telephone Company (TDS)
Norway Telephone Company (TDS)
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
PBT Telecom, d/b/a Comporium
Ridgeway Telephone Company, d/b/a TruVista
St. Stephen Telephone Company (TDS)
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company (TDS)

Easterling, Deborah

285623

From: Dong, Randall
Sent: Monday, July 1, 2019 9:38 AM
To: PSC_Clerk's Office Distribution Group; PSC_Attorneys; PSC_Technical Advisory
Subject: Fwd: Blue Casa Hearing

Randall Dong
Staff Counsel
Public Service Commission of South Carolina

Sent from my iPhone

From: Hammonds, Lessie
Sent: Monday, July 1, 2019 8:53:43 AM
To: Dong, Randall
Cc: Scott Elliott
Subject: Blue Casa Hearing

Hi Randall,

Regarding Blue Casa's hearing today:

The South Carolina Office of Regulatory Staff ("ORS") has reviewed the Application of Blue Casa Telephone, LLC (the "Company") and believes that the Public Service Commission of South Carolina ("Commission") granting the Certificate of Public Convenience and Necessity requested is consistent with the public interest.

The ORS Audit and Telecommunications Departments reviewed the Company's application and filings to assess the Company's financial, technical and managerial resources. Based on these reviews, ORS has concluded that the Company possesses the resources needed to provide the services requested and that the Company's request for a Certificate of Public Convenience and Necessity is consistent with the public interest. See S.C. Code § 58-9-280. ORS does not object to the Applicant's request of a partial waiver of the bond requirement. ORS does not intend to attend the hearing scheduled for July 1, 2019.

Thank you,
Lessie

C. Lessie Hammonds

Attorney

Office of Regulatory Staff

Order Exhibit 2
Docket No. 2019-119-C
Order No. 2019-527
July 26, 2019
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